



Local Rule 6005-1 Standing Auctioneers (2013)

(a) General. This court may appoint any number of standing auctioneers by application of the auctioneer after review by the United States trustee and order of the court. The United States trustee must maintain a list of all current appointed standing auctioneers.

(b) Appointment. To be appointed as a standing auctioneer, an auctioneering company, whether a sole proprietorship, partnership, or corporation must show, by declaration submitted to the United States trustee, that at least 1 person employed by such company has met the following qualifications:

(1) The candidate has 3 or more years of experience as an active auctioneer during the 4 year period prior to making the application. "Active auctioneer" experience is defined as devoting the majority of such person's work time to the auctioneering business, including the preparation for, promoting of, and conducting of auctions;

(2) The candidate is duly licensed by a state, municipality, or some other governmental entity;

(3) The candidate is at least 21 years of age;

(4) The candidate has not been convicted of any felony or misdemeanor involving forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other like offenses;

(5) The auctioneering company maintains property damage and theft coverage of no less than \$100,000, or in a higher amount if requested by the United States trustee. The policy must cover only estate property;

(6) The auctioneering company maintains an on-site liability insurance policy with limits for bodily injury of at least \$100,000 per person and \$300,000 per occurrence; and

(7) The auctioneering company has posted or will post with the United States trustee a \$100,000 bond in favor of the United States and conditioned on the faithful performance of its official duties.

(c) Letters of Reference. In addition to the declaration required under subsection (b) of this rule, the candidate must submit letters of reference from at least 2 individuals, other than relatives, who have personal knowledge of the candidate's honesty, truthfulness, and good repute as an auctioneer. If the applicant meets the requirements of this rule, the United States trustee may certify the applicant to the list of current standing auctioneers.

(d) Effect of Appointment. Trustees may, subject to the limits of [§ 327\(a\)](#) [1] of the Code, use any of the standing auctioneers to liquidate personal property of the estate, without further permission of the court. The fact that an auctioneer has been certified to the list of standing auctioneers should not be construed as an order directing the trustees to employ the auctioneer. Trustees retain the privilege of selecting, subject to the requirements of [§ 327 of the Code](#) [1], auctioneers and others to serve the estate.

(e) Procedure for Sales by Appointed Standing Auctioneers. The following procedures apply to all sales held by a standing auctioneer:

(1) The auctioneer must comply with any order regarding the sale;

(2) The auctioneer must give appropriate public notice of the sale and give the trustee evidence of the



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notice with the final accounting;

(3) The auctioneer must not, without the trustee's consent, incur expenses for transporting property. Unless otherwise agreed or ordered, the debtor must transport property to the auctioneer;

(4) All sales must be for cash, unless the trustee directs otherwise; and

(5) Immediately after the sale, the auctioneer must forward the proceeds, less a commission, to the trustee with a full accounting.

(f) Commissions. The commission of any standing auctioneer must not exceed 15% of the gross proceeds of the sale, with the exact rate to be negotiated by the trustee and the standing auctioneer on a case-by-case basis.

(g) Expenses. Notwithstanding the limitation on compensation set forth in subsection (f), if a standing auctioneer, at the express direction of the trustee, incurs expenses related to the sale of property, he or she is entitled to reimbursement for actual expenses out of the estate.

(h) Removal and Resignation.

(1) General. A standing auctioneer must notify the court and the United States trustee immediately if he or she no longer qualifies for certification to the list of standing auctioneers. A standing auctioneer may tender his or her resignation at any time by submitting it in a writing to the United States trustee. In that event, the United States trustee must remove the name from the list and notify panel trustees.

(2) Removal for Cause. The court may remove any standing auctioneer for cause.

(i) Hearings on Sales Conducted by a Standing Auctioneer. A hearing scheduled on a sale to be conducted by a standing auctioneer may be stricken if no objection to the sale is timely filed.

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Links

[1] <https://www.law.cornell.edu/uscode/text/11/327>